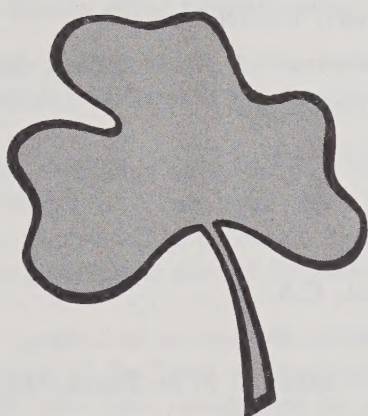


IRISH COPPER MINES LIMITED



**annual
report**
december 31, 1965

**Head Office:
Suite 509, 25 Adelaide St. W.
Toronto 1, Ontario**

IRISH COPPER MINES LIMITED

OFFICERS

S. A. PERRY, F.C.I.S. *President*
THE HONOURABLE C. P. McTAGUE, Q.C. *Vice-President*
G. D. PATTISON, C.A. *Secretary-Treasurer*
R. D. BELL, C.A. *Assistant Secretary-Treasurer*

DIRECTORS

R. D. BELL, C.A. Toronto, Ontario
W. E. ESSERY, C.A. Toronto, Ontario
THE HONOURABLE C. P. McTAGUE, Q.C. Toronto, Ontario
G. D. PATTISON, C.A. Toronto, Ontario
S. A. PERRY, F.C.I.S. Toronto, Ontario

BANKERS

THE ROYAL BANK OF CANADA Toronto, Ontario

AUDITORS

THORNE, MULHOLLAND, HOWSON & McPHERSON Toronto, Ontario

REGISTRAR AND TRANSFER OFFICE

THE CANADA TRUST COMPANY Toronto, Ontario

HEAD OFFICE

SUITE 509, 25 ADELAIDE STREET WEST Toronto, Ontario

IRISH COPPER MINES LIMITED

Suite 509, 25 Adelaide Street West
TORONTO 1, ONTARIO

Report of the Directors

To the Shareholders,
IRISH COPPER MINES LIMITED.

We present herewith the financial statement of your Company for the year ended December 31, 1965, with Auditors' Report thereon dated March 7, 1966.

During 1965 the Company carried out exploration programs on two separate, optioned properties situated in the Port Arthur Mining Division of the Province of Ontario.

Seeley Lake Area

Geophysical surveys were performed on a group of twenty mining claims located about six miles northeast of the Town of Marathon. Four weak electromagnetic anomalies were outlined on this property; they were, however, interpreted to be caused by conductive overburden and accordingly your Company, on the advice of its consultants, allowed the option to purchase this property to lapse.

Dotted Lake Area

In June, 1965, airborne geophysical surveys were completed over a group of ninety mining claims located about sixteen miles south of the Town of Manitouwadge. These surveys revealed the presence of ten weak anomalies which were later investigated by ground geophysical and surface prospecting methods. This surface exploration work proved that the airborne anomalies were not caused by mineralization of economic interest. Based on the results of the work performed, your Company allowed its interest in these claims to terminate.

Your Company continues to hold a 10% interest in Basin Explorations (Ireland) Syndicate. This Syndicate holds twenty-two prospecting license areas in the Republic of Ireland. To date geochemical surveys consisting of 38,560 samples taken over one hundred and ninety-three line miles have been completed on sixteen of these licenses. Results have indicated anomalous conditions on five of these areas which will require further investigation by detailed geochemistry and geophysical surveys followed by diamond drilling if warranted.

Results of previous exploration work performed by your Company on lands in the County of Limerick, Ireland, held under prospecting license have been re-assessed. The deepest penetration in previous drilling in the Townland of Cloughatrida has indicated the presence of a reef similar to the Silvermines reef. It is planned to drill a vertical hole to a depth of 1,000 feet or the base of the reef to test this structure. Our consultants have also recommended the drilling of two other vertical holes to investigate two strong geochemical anomalies which have also been outlined on the licensed area.

Negotiations are now being carried on with a view to arranging the necessary financing to carry out the proposed drilling program in the County of Limerick and to continue the Company's participation in the Basin Explorations (Ireland) Syndicate.

Submitted on behalf of the Board of Directors,

S. A. PERRY,
President.

Toronto, Ontario,
April 20, 1966.

IRISH COPPER MINES LIMITED

Auditors' Report

To the Shareholders of
IRISH COPPER MINES LIMITED:

We have examined the balance sheet of Irish Copper Mines Limited as at December 31, 1965 and the statements of contributed surplus, deficit and deferred exploration and development for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and related statements of contributed surplus, deficit and deferred exploration and development present fairly the financial position of the company as at December 31, 1965 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, MULHOLLAND, HOWSON & McPHERSON
Chartered Accountants

Toronto, Canada,
March 7, 1966.

IRISH COPPER MINES LIMITED

Incorporated under the laws of Ontario

Balance Sheet

December 31, 1965

ASSETS

CURRENT ASSETS:

Cash 16,821.94

INVESTMENT IN ST. PATRICK'S COPPER MINES LIMITED,
a subsidiary company incorporated in the Republic of Ireland (note 1) 1.00

MINING CLAIMS, RIGHTS AND OPTIONS AND DEFERRED EXPLORATION AND
DEVELOPMENT EXPENDITURES THEREON (note 2) 58,886.78
\$ 75,709.72

LIABILITIES

CURRENT LIABILITIES:

Accounts payable 2,033.17

SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 3):

Authorized, 7,500,000 shares, par value 51.00 each
Issued, 5,270,667 shares 5,270,667.00

CONTRIBUTED SURPLUS, net premium on issue of shares 471,145.12

..... 5,741,812.12
DEFICIT 5,668,135.57 73,676.55
\$ 75,709.72

The accompanying notes are an integral part of this statement.

Approved on behalf of the Board:

S. A. PERRY, Director.

G. D. PATTISON, Director.

This is the balance sheet referred to in our report to the shareholders dated March 7, 1966.

THORNE, MULHOLLAND, HOWSON, & McPHERSON,
Chartered Accountants.

IRISH COPPER MINES LIMITED

Notes to Financial Statement

Year ended December 31, 1965

1. INVESTMENT IN ST. PATRICK'S COPPER MINES LIMITED:

Due to default in payments of principal and interest on loans to St. Patrick's Copper Mines Limited from Irish Life Assurance Company Limited the Government of Ireland has, under the terms of an agreement dated October 4, 1961, the right to transfer the capital stock of that company, held as collateral security, to another person or persons who shall receive absolute property therein.

On July 20, 1962, a Receiver was appointed to manage St. Patrick's Copper Mines Limited, and production ceased on September 6, 1962. Consequently the company's investment in and advances to St. Patrick's have been written down to a nominal value of \$1.00 and the deferred charges relating thereto have been written off.

The accounts of the subsidiary company have not been consolidated herein because of the circumstances outlined above, and because no audited financial statement has been available since December 31, 1961.

2. MINING CLAIMS, RIGHTS AND OPTIONS AND DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES THEREON:

The company holds or has an interest in the following Prospecting Licenses:

1 Prospecting License covering approximately 19 sq. miles, County Limerick, Ireland	Nil
10% interest in 21 Prospecting Licenses covering approximately 223 sq. miles in the Counties of Carlow, Kilkenny, Limerick, Tipperary and Waterford, Ireland, held by Basin Explorations (Ireland) Syndicate, acquired for a cash payment of \$6,000.00 (see below)	Nil
	Nil

DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES THEREON:

	Balance at beginning of year	Expenditures during year	Transferred to deficit	Balance at end of year
County Limerick, Ireland	52,886.78			52,886.78
Syndicate Participation		6,000.00		6,000.00
Dotted Lake area, Ontario		13,829.68	13,829.68	
Seeley Lake area, Ontario	935.00	5,589.50	6,524.50	
General		343.68	343.68	
	<u>\$ 53,821.78</u>	<u>\$ 25,762.86</u>	<u>\$ 20,697.86</u>	<u>58,886.78</u>

MINING CLAIMS, RIGHTS AND OPTIONS AND DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES THEREON	<u>\$ 58,886.78</u>
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During the year the company allowed the following options on mining claims to lapse and the cost of these options has been transferred to deficit.

An option on 20 mining claims in the Seeley Lake area, Port Arthur Mining Division, Ontario, acquired December 18, 1964 at a cost of	\$ 10,000.00
Options on 90 mining claims in the Dotted Lake area, Port Arthur Mining Division, Ontario, acquired April 8, 1965 at a cost of	15,000.00
	<u>\$ 25,000.00</u>

3. CAPITAL STOCK:

During the year 200,000 shares of the company's capital stock were issued to an underwriter for \$60,000.00 cash. The discount of \$140,000.00 has been applied to contributed surplus.

4. CONTINGENT LIABILITY:

At December 31, 1965 there is a contingent liability of approximately \$19,000.00 relating to mining claims previously held under option by the company. The company does not recognize any legal liability in this regard.

IRISH COPPER MINES LIMITED

Statement of Contributed Surplus

Year ended December 31, 1965

Contributed surplus at beginning of year	611,145.12
Deduct Discount on shares issued during year	140,000.00
CONTRIBUTED SURPLUS AT END OF YEAR	<u>\$471,145.12</u>

Statement of Deficit

Year ended December 31, 1965

Deficit at beginning of year		5,567,494.41
Administration for year:		
Administration fee	4,800.00	
Annual report	859.28	
Directors' fees	1,000.00	
Legal and audit	1,092.35	
Listing	385.75	
Office and general expense	168.53	
Stock transfer fees and expenses	1,468.77	9,774.68
Adjustments on account of current and prior years:		
Options on mining claims abandoned:		
Option payments	25,000.00	
Exploration and development	20,697.86	45,697.86
Administration	45,168.62	90,866.48
DEFICIT AT END OF YEAR		<u>\$ 5,668,135.57</u>

IRISH COPPER MINES LIMITED

Statement of Deferred Exploration and Development

Year ended December 31, 1965

Balance at beginning of year		53,821.78
Expenditures during year:		
Consultants' fees	5,400.00	
Engineering services	667.36	
Equipment rentals	450.00	
General field expenses	1,974.00	
Government fees and licenses	307.15	
Line cutting	2,240.00	
Surveys	7,744.50	
Syndicate participation	6,000.00	
Transportation	979.85	25,762.86
		<hr/> 79,584.64
Deduct Expenditures on mining options transferred to deficit		20,697.86
		<hr/>
DEFERRED EXPLORATION AND DEVELOPMENT ON MINING CLAIMS		
IN GOOD STANDING (note 2)		<u>\$ 58,886.78</u>